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DEPARTMENT OF COMMERCE

International Trade Administration

(C-489-825)

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey:  
Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of heavy walled rectangular welded carbon steel pipes and tubes (HWR pipes and tubes) from the Republic of Turkey (Turkey) as provided in section 705 of the Tariff Act of 1930, as amended (the Act). For information on the estimated subsidy rates, see the “Final Determination” section of this notice. The period of investigation (POI) is January 1, 2014, through December 31, 2014.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Brian Smith or Aqmar Rahman, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-1766 or (202) 482-0768, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

The Department published the Preliminary Determination on December 28, 2015.<sup>1</sup> A summary of the events that occurred since the Department issued the Preliminary Determination may be found in the Issues and Decision Memorandum which is hereby incorporated.<sup>2</sup>

Additionally, this memorandum details the changes we made since the Preliminary Determination to the subsidy rates calculated for the mandatory respondents and all other producer/exporters. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://trade.gov/enforcement>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

As explained in the memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department has exercised its discretion to toll all administrative deadlines due to the closure of the Federal Government. All deadlines in this segment of the proceeding

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<sup>1</sup> See Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes From the Republic of Turkey: Preliminary Affirmative Countervailing Duty Investigation and Alignment of Final Determination With Final Antidumping Duty Determination, 80 FR 80749 (December 28, 2015) (Preliminary Determination).

<sup>2</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Countervailing Duty Investigation of Heavy Walled Rectangular Carbon Steel Pipes and Tubes from the Republic of Turkey: Issues and Decision Memorandum for the Final Determination," dated concurrently with this notice (Issues and Decision Memorandum).

have been extended by four business days. The revised deadline for the final determination is July 14, 2016.<sup>3</sup>

#### Scope of the Investigation

The merchandise covered by this investigation is HWR pipes and tubes from Turkey. For a complete description of the scope of this investigation, see Appendix I.

The Department did not receive comments regarding the scope of this investigation.

#### Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

#### Use of Facts Available, Including Adverse Inferences

In making this final determination, we relied, in part, on facts available and, because MMZ Onur Boru Profil uretim San Ve Tic. A.S. (MMZ) and Ozdemir Boru Profil San ve Tic. Ltd Sti. (Ozdemir) did not act to the best of their ability to respond to the Department's requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available with respect to those respondents.<sup>4</sup> For further information, see the section "Use of Facts Otherwise Available and Adverse Inferences" in the accompanying Issues and Decision Memorandum.

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<sup>3</sup> See Memorandum to the Record from Ron Lorentzen, Acting A/S for Enforcement & Compliance, "Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas" (January 27, 2016).

<sup>4</sup> See sections 776(a) and (b) of the Act.

## Final Determination

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated rates for MMZ and Ozdemir, the two individually investigated exporters/producers of the subject merchandise that participated in this investigation. In accordance with sections 703(d) and 705(c)(5)(A) of the Act, for companies not investigated, we apply an “all-others” rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as respondents by those companies’ exports of the subject merchandise to the United States. The “all-others” rate does not include zero and de minimis rates or any rates based solely on the facts available.<sup>5</sup> We intend to disclose to parties the calculations performed in this proceeding within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

We determine the countervailable subsidy rates to be:

<b>Exporter/Producer</b>	<b>Subsidy Rate (Percent)</b>
MMZ Onur Boru Profil uretim San Ve Tic. A.S.	23.37
Ozdemir Boru Profil San ve Tic. Ltd Sti.	15.08
All-Others	19.06

## Suspension of Liquidation

As a result of our affirmative Preliminary Determination, and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of merchandise under consideration from Turkey that were entered or withdrawn from warehouse, for consumption, on or after December 28, 2015, the date of publication of the Preliminary Determination in the Federal Register.

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<sup>5</sup> See Memorandum to the File, “Calculation of the “All-Others” Rate in the Final Determination of the Countervailing Duty Investigation of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey” (July 14, 2016). We calculated a weighted average of the rates of MMZ and Ozdemir using publicly-ranged data so as not to disclose the respondents’ business proprietary information.

In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after April 26, 2016, but to continue the suspension of liquidation of all entries from December 28, 2015 through April 25, 2016.

We will issue a CVD order and reinstate the suspension of liquidation in accordance with our final determination and under section 706(a) of the Act if the United States International Trade Commission (ITC) issues a final affirmative injury determination, and we will instruct CBP to require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited as a result of the suspension of liquidation will be refunded.

#### ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

#### Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction

of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

July 14, 2016  
Date

## **Appendix I**

### **Scope of the Investigation**

The products covered by this investigation are certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications.

Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The subject merchandise is currently provided for in item 7306.61.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under HTSUS 7306.61.3000. While the HTSUS subheadings and ASTM specification are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
  - II. Background
    - A. Case History
    - B. Period of Investigation
  - III. Scope of the Investigation
  - IV. Use of Facts Otherwise Available and Adverse Inferences
    - A. Application of Adverse Facts (AFA): MMZ and Ozdemir
    - B. Selection of AFA Rates
    - C. Corroboration of Secondary Information Used to Derive AFA Rates
  - V. Subsidies Valuation
    - A. Allocation Period
    - B. Attribution of Subsidies
    - C. Denominators
    - D. Benchmark Interest Rates
  - VI. Analysis of Programs
    - A. Programs Determined to be Countervailable
      - 1. Provision of HRS for LTAR
      - 2. Provision of Land for LTAR
      - 3. Deduction from Taxable Income for Export Revenue
      - 4. Export Financing
      - 5. Investment Encouragement Program (IEP) Customs Duty and VAT Exemptions
      - 6. Law 6486: Social Security Premium Incentive
    - B. Programs Determined to be Not Used
  - VII. Analysis of Comments
    - Comment 1: Provision of HRS for LTAR
      - A. Whether Erdemir and Isdemir Are “Authorities”
      - B. Whether the HRS for LTAR Program is De Facto Specific
      - C. Whether the Department’s HRS Purchase Price Comparison is Distortive
    - Comment 2: Provision of Land for LTAR Program
    - Comment 3: Ministerial Errors
    - Comment 4: Treatment of Income from Services in Ozdemir's Total Sales Denominator
  - VIII. Conclusion
- [FR Doc. 2016-17315 Filed: 7/20/2016 8:45 am; Publication Date: 7/21/2016]